(c) and (d) Financial institutions nominate their own representatives as nominee directors on the Board of Directors of such Private Sector Companies in which they have substantial financial stake. These nominee directors are expected to safeguard the interest of the financial institution and import back to them whenever any action is required or warranted. Banking Division has no nominee director on the board of such private sector companies.

Performance of nominee directors of financtal institutions

1119. SHRI CHATURANAN MISHRA:
SHRI GAYA SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government periodically review the performance of nominee Directors of financial institutions under Banking Department who serve on the Boards of Directors of large units;

(b) if so, what this review consists Of;

(c) whether corrective steps are applied whenever the performance is below par; and

(d) whther there is any possibility of Government to carefully monitor the role of financial institutions and their nominees who serve on such Boards?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) No, Sir. The nominee directors on the Boards of assisted companies of financial institutions (FIs) are appointed by the FI concerned which also reviews the performance of its nominee directors, mainly based on their reports on the proceedings of Board meetings.

(c) The nominee directors are expected to act in the best interest of the company and also safeguard the interest of the FIs. Industrial Development Bank of India (IDBI) has reported that the experience of the FIs with regard to nominee directors has generally b€en satisfactory. If a financial institution is not satisfied with the performance of a nominee director, it can withdraw his nomination from the Board of the company concerned.

(d) The Government monitors the position of overall sanctions and disbursements made by the FIs. The Government also appoints its nominee directors on the Boards of FIs. Besides, the matters of general policy nature and of common interest to FIs are discussed with Chief Executives of FIs in meetings held from time to time.

FIs have evolved guidelines in respect of nominee directors. These guidelines also take into account instructions issued on the subject by Government from time to time.

Public sector banks dealing with barings Bank of England

1120. SHRI RAM NATH KOVIND: Will the Minister of FINANCE be pleased to state:

(a) how many public sector banks have dealing with Barings Bank of England which has recently been declared insolvent;

(b) how much money of-our public sector banks are involved in dealings with Barings Bank; and

(c) how much less is being expected to the Public Sector Banks due to insolvency of Barings Bank of England?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The information is being collected and will be laid on the Table of the House.

Feuding cases of retirement benefits of LIC employees

1121. SHRI BHUPINDER SINGH MANN: Will the Minister of FINANCE be pleased to state:

(a) how many cases of P.F. contribution, gratuity and other dues are pending for payment to the ex-employees of the Corporation in the Varanasi Divisional Office of Life Insurance Corporation of India;

(b) whether it is a fact that in some cases, the payments dues have not been cleared since the last 4-5 years;

(c) if so, the reasons for such inordinate delay; and

(d) by when all the outstanding dues will be paid to the concerned?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) LIC have informed that there are seven such cases.

(b) LIC have informed that there is no such case.

(c) Does not arise.

(d) LIC have informed that the cases are under process.

Guidelines issued by RBI to public sector banks

1122. SHRI PASUMFON THA. KIRUTTINAN: Will the Minister of FINANCE be pleased to state:

(a) whether any directives/guidelines have been issued by the Reserve Bank of India to the public sector banks in the matter of making fresh advances to the existing non-performing borrowers/defaulters, if so, the details thereof;

(b) whether it is a fact that non-performing borrower/defaulter of Green Park, New Delhi Branch of Punjab and Sind Bank has been given a fresh advance of more than Rs. seventy five lakh in the name of his associates inspite of the fact that the details and facts of the case were known to the C&MD of the Bank; and

(c) whether it is a fact that the advance made was not in conformity with the guidelines/policy laid down in this behalf; if so, whether Government have taken any cognizance in the matter; if so, the action taken thereon and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M, V. CHANDRASHEKARA MURTHY): (a) In order to alert the banks and financial institutions and put them on guard against borrowers who have defaulted in their dues to other lending institutions. Reserve Bank of India (RBI) collects information from all banks and financial institutions on borrowal accounts which have been classified by them, as doubtful, loss and suit-filed with outstanding aggregating Rs- one crore and above. RBI circulates such information to banks and financial institutions. RBI has advised that banks and financial institutions to make use of the information while considering on merits the request for new or additional credit limits by the defaulting borrowers .

(b) and (c) Punjab and Sind Bank has reported that keeping in view the guidelines issued by RBI, in case of one private company, it has enhanced the limits to enable the company to meet its business requirements, primarily export commitments and also with a view to get their other accounts regularised.